

**Technical Monograph:
Transportation Planning
for the Richmond–Charlotte Railroad Corridor**

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**Appendix E
Ownership and Operating Rights**

**Federal Railroad Administration
United States Department of Transportation**

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Appendix E

OWNERSHIP AND OPERATING RIGHTS

INTRODUCTION

The following summary is for information purposes only. It is not intended to establish the legal effects of the various agreements or the rights of the parties thereto. The summaries of the agreements do not necessarily include all of the points covered by the agreements.

SUMMARY OF OWNERSHIP AND OPERATING RIGHTS

Definition

The precise definition of the rail corridor considered in this report is the route extending from Richmond Virginia to Charlotte, North Carolina, via the tracks of CSXT, to Raleigh; the North Carolina Railroad, to A.T.&O. Jct. (2.5 miles north of Charlotte); and NS, to Charlotte. It is important to note that the FRA defines the “Southeast Corridor” differently, considering it to extend from Washington, DC to New Orleans (via Atlanta), and Washington, DC to Jacksonville, FL, via both Atlanta, GA and Columbia, SC. This report considers only the line between Richmond and Charlotte. Amtrak’s operating definition is different again, including Washington, DC to Richmond in the Northeast Corridor.

Ownership

The primary owners of the Corridor are CSX Transportation Company (CSXT) and the North Carolina Railroad Company (NCRR). CSXT owns all of the line north of Raleigh, with some minor exceptions discussed below. The North Carolina Railroad owns all of the line to the west and south of Raleigh, with the exception of the short segment within the Charlotte terminal area. Between Boylan Jct. (Raleigh) and Fetner (Cary), a distance of about eight miles, CSX Transportation owns the north track on the NCRR right-of-way. The two tracks are operated as a double-track railroad, and dispatched by CSXT.

Operators

CSXT operates frequent freight service between Richmond and Petersburg, using both the A Line and the S Line north of Centralia. Between Petersburg and Norlina, the S Line is inactive, and the tracks have been removed. From Norlina, the first nine miles on the line is inactive, to Middleburg. Local freight trains are operated between Middleburg and Raleigh. South of Raleigh, CSX Transportation operates as far as Fetner with a daily through freight round trip to Hamlet, NC and local service to Apex.

Norfolk Southern operates the North Carolina Railroad under a contract with the State. NS operates limited through freight and local service between

Boylan and Greensboro, and an extensive array of freight services between Greensboro and Charlotte.

Amtrak maintains operating agreements with NS and CSXT to operate its trains between Richmond and Charlotte. The major points of these agreements are highlighted below. Amtrak's agreement with CSXT does not cover operation between Main Street Station and Centralia. Prior to initiation of service between Main Street Station and Raleigh, N.C. the agreement between Amtrak and CSXT will have to be modified.

NORTH CAROLINA RAILROAD / NORFOLK SOUTHERN RAILWAY

Virtually all of the outstanding stock in the North Carolina Railroad is owned by the State of North Carolina. For over a century, the railroad has been operated by Norfolk Southern and its predecessors. The current agreement was made effective January 1, 2000. NCRR grants NS the "exclusive freight trackage rights over the lines and properties of NCRR". It is noted that "The rights granted to [NS] do not eliminate, modify or diminish the rights of CSX Transportation to operate and serve customers between Fetner and Raleigh (Boylan)." (See a discussion of the agreement with CSXT concerning Raleigh to Cary, below.)

The agreement provides for passenger operations with speeds up to 90 mph on a "shared-use basis", that is, passenger and freight trains sharing the same tracks. Liability provisions currently in effect will apply. Provisions for increasing capacity, including double track between Greensboro and Charlotte are provided.

Separate tracks would be required to operate passenger trains at 90 mph and above, and the trains must be "...operated on a dedicated separate new infrastructure". High-Speed passenger operations "...will not be undertaken ... in close proximity to the tracks on which NSR has trackage right, unless an appropriate type and level of liability, indemnity and insurance protection ... has been implemented". The definition of "close proximity" is left to future negotiations and a "dispute resolution process." [The restriction is not in conformance with 49 CFR Part 213 Section 307 (a), which authorizes freight and passenger service on the same tracks at speeds up to 150 mph.]

There are a number of provisions to provide for the study of increased freight and passenger services, commuter services, higher speed services, and alternative routes, and industrial development.

The term of the agreement is 15 years, through December 31, 2014, with an option for NSR to extend for two additional 15-year terms.

OPERATIONS BETWEEN RALEIGH AND CARY

Joint operations between Boylan (Raleigh) and Fetner (Cary) are defined by an agreement between the predecessor railroads signed in 1862. At that time, the North Carolina Railroad permitted The Chatham Railroad Company to "...continue their road across the said North Carolina Railroad, at or near Cary, and thence down and along the Northern side of the North Carolina Railroad and upon the land heretofore set apart for the same such point for the depot at

Raleigh....” The agreement further stated that “The intent and meaning of this covenant is that Whenever [sic] the two tracks shall be finished, each company shall control its own, as if the other was miles away, and if for the mutual convenience they be worked together as a common double track....”

Current operations reflect this arrangement. The NCR owns the right of way and the south track, and CSXT owns the north track. By agreement, NS, the operator of the NCR maintains the south track, and CSX Transportation maintains the north track. Both tracks are dispatched by CSX Transportation, which reflects the greater level of traffic that the Seaboard Airline once operated. Before the SCL merger, it ran many more trains than did the Southern.

STATE OF NORTH CAROLINA/CSX TRANSPORTATION

There is a 1997 Memorandum of Understanding between the two parties that recognizes the state's interest in procuring CSXT lines, including the S Line from the Virginia state line to Fetner (Cary), via Raleigh. The parties agree to negotiate ways to operate freight and passenger services, and upgrade and maintain the lines.

There is no current information as to the status of this memorandum, or any subsequent agreement.

AMTRAK AGREEMENTS

CSX TRANSPORTATION Agreement effective June 1, 1999

Section

3.1 Rights of Services

“CSXT agrees to provide Amtrak with the use of facilities and services.... for.... Intercity Rail Passenger Service, including carrying of mail and express on Intercity Rail Passenger Trains to the extent authorized by the Act.” Includes the right to modify or increase services, and the obligation to provide emergency services.

3.2A Modification of Services

“Amtrak shall have the right ...to request, and ...CSXT hereby agrees to provide modified or additional services.... The services requested shall be subject to the physical limitations of CSXT and shall give due regard to ...the avoidance of unreasonable interference with the adequacy, safety, and efficiency of its other railroad operations.”

4.1 Rail Lines

“CSXT shall retain and not.... abandon its Rail Lines used in the operation of regular Amtrak Trains.... without Amtrak’s prior written approval....”

4.2 Rail Lines

“Rail Lines” used by Amtrak “shall be maintained by CSXT at the level of utility existing on June 1, 1999”, so that the same schedules can be “operated with a reasonable degree of regularity and with a reasonable degree of passenger comfort.

4.3 Additional Maintenance and Improvements.

Level of utility can be increased at Amtrak's expense. CSXT can be required to make the improvements necessary.

5.1 Basis of Payment.

Amtrak pays various avoidable unit costs specified (Appendix IV), plus performance payments (Appendix V).

5.1.D Payment Adjustment.

Subsection 3.

"Amtrak may notify CSXT that it no longer desires ... specific services, activities, or facilities...."

7.2 Risk of Liability.

"Amtrak agrees to indemnify and save harmless CSXT, irrespective of any negligence or fault of CSXT, its employees, [etc.] from any and all liability for " injuries to, or death of, and loss, damage, or destruction of property of any Amtrak employee, any passenger or person meeting a passenger, any Amtrak equipment, or any vehicle or person struck at a grade crossing or by a derailed passenger train. CSXT agrees to indemnify and save harmless Amtrak for any liability for injury, death to any CSXT employee, or damage or destruction to any CSXT property.

8.8 Term.

Remains in effect "... through May 31, 2004, and thereafter until terminated by 12 months written notice to either party. Such notice may be given at any time after May 31, 2003"

NORFOLK SOUTHERN

January 2, 1979 agreement, as amended, effective June 1, 1999.

Section

3.1 Right to Services.

"...NS ...agrees to provide Amtrak ...with the services requested.... for.... operation of the Crescent and other routes and trains that may be agreed upon... including carrying of mail and express.

3.2A Modification of Services.

"Amtrak shall have the right ...to request, and ...NS hereby agrees to provide modified services The services requested ...shall be subject to the physical and financial capabilities of NS and shall give due regard to ...the avoidance of unreasonable interference with the adequacy, safety, and efficiency of other NS operations."

3.4 NS's Right to Cease Performing Services.

"NS may, on not less than two year's prior notice to Amtrak ...terminate its obligations to provide services to Amtrak"

3.7 Performance by Other Than NS.

"...Amtrak shall have the right to use NS's track, ...and to require NS to perform all services necessary, in connection with operation by Amtrak or others on its behalf, of Amtrak Intercity Rail Passenger Trains"

[3.4 and 3.7 appear to give Amtrak the right to employ its own crews to operate its trains over NS.]

4.1 Rail Lines.

“NS shall retain and not.... abandon its Rail Lines used in the initial operation of Amtrak trains, for as long as such use continues....”

[This appears to only apply to the Washington, DC-Atlanta-New Orleans Crescent route.]

4.2 Maintenance of Rail Lines

“The Rail Lines of NS used in Amtrak’s Intercity Rail Passenger Service ...shall be maintained by NS at not less than the level of utility existing on the date of the beginning of such use.”

4.3 Additional Maintenance and Improvements.

Level of utility can be increased at Amtrak’s expense. NS can be required to make the improvements necessary.

5.1 Basis of Payment.

Amtrak pays various avoidable unit costs specified (Appendix IV), plus performance payments (Appendix V).

5.1.D Payment Adjustment.

Subsection 3.

Amtrak may terminate “services, activities, or facilities” provided by NS on 30 days’ written notice.

7.2 Risk of Liability

“Amtrak agrees to indemnify and save harmless NS, irrespective of any negligence or fault of NS, its employees, [etc.] from any and all liability for ” injuries to, or death of, and loss, damage, or destruction of property of any Amtrak employee, any passenger or person meeting a passenger, any Amtrak equipment, or any vehicle or person at a grade crossing. NS agrees to indemnify and save harmless Amtrak for any liability for injury, death to any NS employee, or damage or destruction to any NS property, in return for compensation of 7.34 cents per passenger train mile.

8.9 Term.

Remains in effect “... through April 30, 2003, and thereafter until either party gives at least six (6) months notice”

OWNERSHIP OF VARIOUS S LINE SEGMENTS

There are unofficial reports of scattered segments of the S Line having been sold off to various independent entities. Typically, they are sold in one-mile segments. The extent to which these sales have been made is not currently known, and would need further research. The reported sales include:

Location (Milepost)	Unofficially Reported Owner
12.5 to 14.5	Chesterfield County
25.9 to 26.6	Chaparral Steel
46.72 to 47.72	D. W. Lyle Corp.
50	Nottaway River Bridge (North) Farm (Hunting Preserve)
Quarry to 52.4	Quarry Access Road